

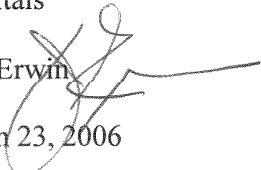


# Illinois Board of Higher Education

James L. Kaplan, Chairman • Judy Erwin, Executive Director

## MEMORANDUM

**TO:** Independent College and University Presidents and Chief Executive Officers of Hospitals

**FROM:** Judy Erwin 

**DATE:** March 23, 2006

**RE:** Health Services Education Grants: Priority Area Determination

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The attached report includes information regarding the "Priority Area Determination" for the Health Services Education Grants Act (HSEGA) program in FY2006. As you may know, Public Act 94-193, effective July 12, 2005, amended the Health Services Education Grants Act (HSEGA) to allow the Board to allocate up to 10 percent of the HSEGA annual appropriation to support Program Priority Grants. The Illinois Board of Higher Education (IBHE) staff has now completed a literature research and review process and has developed a recommendation that Nursing be the designated priority area for FY2006.

Based on the information and data sources reviewed, the consistent theme is that nursing shortages are one of the most extreme healthcare profession workforce shortage areas in Illinois and nationwide. Statewide data from The Illinois Department of Commerce and Economic Opportunity (DCEO) indicate that a shortage of nursing professionals exists in all 10 of the economic regions in the State. National data sources also confirm the shortage of nursing professionals. Therefore, IBHE staff is recommending Nursing as the priority area for HSEGA program priority grants in fiscal year 2006.

This information will be made available on the IBHE website, and will be provided to the Federation of Independent Illinois Colleges and Universities and various constituent institutions. The Board will consider the FY2006 HSEGA grant allocations at its April 4, 2006 meeting.

Attachment

Cc: IBHE Board Members  
Dave Tretter (FIICU)

**ILLINOIS BOARD OF HIGHER EDUCATION  
HEALTH SERVICES EDUCATION GRANTS ACT PROGRAM**

**PRIORITY AREA DETERMINATION FOR HSEGA**

**Recommended Priority for FY2006**

**Background**

The Health Services Education Grants Act (HSEGA), enacted in 1970, authorizes the Illinois Board of Higher Education to allocate grant funds to not-for-profit, independent institutions offering programs that educate and train health professionals. These grants are based on the number of Illinois residents enrolled in such programs, and determined by the appropriation and grant rates established by administrative rule. Health education grants assist institutions in meeting the high cost of health education programs while assuring that Illinois has an adequate supply of health professionals. In addition, health education grants assist institutions and the State in providing health professionals for underserved geographic areas and improving opportunities for students, particularly minority students, to pursue careers in the health professions. In fiscal year 2006, the Board plans to allocate \$16.6 million in HSEGA grants to 57 institutions.

During the past few years, the Board has addressed a number of issues concerning health education programs and priorities in Illinois. In 2003, the Board's Committee to Review Health Professions Education Programs made a number of recommendations aimed at improving the accountability of the HSEGA program and targeting resources toward priority areas. As a follow-up to the work of that Committee, statutory changes made during the spring of 2005 legislative session provided the Board with greater flexibility in the allocation of HSEGA grant funds to priority areas. Effective July 12, 2005, Public Act 94-193 amended the Health Services Education Grants Act (HSEGA) to allow the Board to allocate up to 10 percent of the HSEGA annual appropriation to support Program Priority Grants. Furthermore, the law states that in determining these priorities, the Board shall annually consult with the impacted parties, which includes nonpublic institutions and hospitals eligible to participate in HSEGA. Since the statutory provisions provided in the legislation became effective with the signing of the law, emergency rules amendments were developed to ensure that the Board's HSEGA grant program is administered consistently with the statutory changes. At its March 14, 2006 meeting, the Joint Committee on Administrative Rules (JCAR), approved the HSEGA rules amendments with a "no objection" ruling, and the Board will consider final adoption of the rules amendments at its April 4, 2006 meeting.

Along with developing rules changes necessary to implement the new legislation, staff also has been working to review shortage areas in Illinois and identify priority areas for HSEGA support. IBHE staff has now completed a literature research and review process and is recommending Nursing as the priority area for HSEGA in fiscal year 2006. The following report includes information from the review process and the recommendation for FY2006. This information will be made available on the IBHE website, and will be discussed with the Federation of Independent Illinois Colleges and Universities and various constituent institutions.

## Introduction

The Health Services Education Grants Act (HSEGA) grant program supports independent Illinois institutions offering programs that educate and train health professionals in eligible programs, which include medicine, dentistry, optometry, podiatry, pharmacy, selected allied health programs, nursing and medical residency programs in family practice and obstetrics/gynecology. Public Act 94-193 states that the “Board of Higher Education may annually dedicate a portion of appropriated funds, not to exceed 10% of appropriations, to support program priority grants”, which are defined in the act as “grants based on State residents enrolled in eligible programs that address public demand for health services, workforce needs and shortages, and other programmatic priorities, such as sole service providers, academic needs, or industry standards.”

## Reference Materials

In conducting a literature research and review process, staff utilized a number of state and federal data sources to determine priority areas for the HSEGA grant program. The data sources listed below were used to identify shortage areas and statewide needs.

- *Occupational Projections 2002-2012*, Illinois Department of Employment Security.
- *Projected Supply, Demand and Shortages of Registered Nurses: 2000-2020*, U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions, National Center for Health Workforce Analysis.
- *Final Report*, Illinois Workforce Investment Board Healthcare Task Force, and *Critical Skill Shortages Initiative*, The Illinois Department of Commerce and Economic Opportunity (DCEO)
- *Nursing Workforce: Emerging Nurse Shortages Due to Multiple Factors*, United States General Accounting Office, Report to the Chairman, Subcommittee on Health, Committee on Ways and Means, House of Representatives.

## Health Profession Review

Table 1, from *Occupational Projections 2002-2012*, provides a snapshot of the total average annual job openings in healthcare occupations in Illinois and the United States projected for 2002-2012. As shown in the table, the number of job openings for Registered Nurses in Illinois and Nationwide exceed the second-place professions by more than 100%. In Illinois, 3,971 openings for Registered Nurses are projected, followed by 1,789 openings for nursing aides and orderlies/attendants. In the United States, 110,100 openings for Registered Nurses are expected, followed by the projected need for 52,300 nursing aides and orderlies/attendants.

Table 2, from *Projected Supply, Demand and Shortages of Registered Nurses: 2000-2020*, illustrates the shortage of Registered Nurses on a statewide basis by comparing the projected supply of nurses to the projected demand for nurses by the year 2020. By the year 2020, the supply of Registered Nurses in the United States is expected to total 2.0 million, while the demand is expected to exceed 2.8 million, resulting in a shortage of 800,000 or 29 percent. In Illinois, the projected shortage is 20 percent, when demand of 109,334 exceeds projected supply of 87,975 by more than 21,000. By the year 2020, 44 states and the District of Columbia, are all expected to be facing a shortage of registered nurses in excess of a -3 percent margin. The factors driving these shortages include the declining number of nursing school graduates, the aging of the RN workforce, the decline in relative earnings, and the emergence of job alternatives. The increased demand for nurses is driven by the aging of population baby boomers reach retirement age and beyond, as well as the increased longevity of those retirees.

**Table 1**

Total Average Annual Job Openings in Healthcare Occupations: Illinois and U.S. in 2002-2012\*

Occupation Title	Average Annual Job Openings: 2002-2012	
	Illinois	U.S. Total
<b>Registered Nurses</b>	<b>3,971</b>	<b>110,100</b>
Nursing Aides, Orderlies/Attendants	1,789	52,300
Dental Assistants	814	18,700
Licensed Practical Nurses	736	29,500
Home Health Aides	672	35,500
Medical Assistants	596	28,200
Physicians and Surgeons (All Specialties)	558	19,100
Pharmacists	479	11,400
Pharmacy Technicians	357	8,800
Medical Records & Health Information Technicians	319	9,000
Medical & Clinical Laboratory Technologists	301	6,900
Emergency Medical Technicians & Paramedics	291	8,000
Respiratory Therapists	250	5,800
Speech-Language Pathologists	220	4,900
Physical Therapists	214	6,200
Radiologic Technologists/Technicians	194	7,200
Occupational Therapists	192	4,000
Medical & Clinical Laboratory Technicians	191	6,800
Medical Transcriptionists	133	4,100
Dentists	127	3,200
Pharmacy Aides	126	2,200
Physical Therapist Assistants	122	3,100
Dental Hygienists	107	7,600
Surgical Technologists	94	3,000
Opticians, Dispensing	92	2,300
Massage Therapists	88	4,300
Psychiatric Technicians	86	1,100
Cardiovascular Technologists/Technicians	82	2,300
Respiratory Therapy Technicians	74	1,200
Dietitians and Nutritionists	69	2,100
Physician Assistants	65	4,000
Physical Therapist Aides	62	2,300
Optometrists	59	1,400
Diagnostic Medical Sonographers	58	1,600
Dietetic Technicians	49	1,000
Recreational Therapists	46	900
Occupational Health & Safety Specifics/Technologists	44	1,400
Psychiatric Aides	43	1,600
Medical Equipment Preparers	34	1,300
Athletic Trainers	32	700
Occupational Therapist Assistants	29	1,000
Audiologists	25	600
Nuclear Medicine Technologists	21	700
Radiation Therapists	19	700
Occupational Therapist Aides	16	500
Orthotists and Prosthetists	9	200
Podiatrists	8	500
<b>TOTAL ALL HEALTH CARE OCCUPATIONS</b>	<b>13,963</b>	<b>429,300</b>

\* Source: *Occupational Projections 2002-2012*, Illinois Department of Employment Security.

**Table 2**  
Supply vs. Demand Projections for FTE Registered Nurses by State –2020\*

State	2020 Supply	2020 Demand	Excess or Shortage	% Shortage
Alabama	36,309	44,662	-8,353	-18.7 %
Alaska	2,859	6,822	-3,963	-58.1 %
Arizona	33,780	55,519	-21,739	-39.2 %
Arkansas	17,414	26,450	-9,036	-34.2 %
California	142,978	263,673	-120,695	-45.8 %
Colorado	32,310	47,028	-14,718	-31.3 %
Connecticut	17,870	39,661	-21,791	-54.9 %
Delaware	4,408	9,090	-4,682	-51.5 %
District of Columbia	7,387	11,238	-3,851	-34.3 %
Florida	123,904	185,050	-61,146	-33.0 %
Georgia	47,939	79,982	-32,043	-40.1 %
Hawaii	13,858	12,832	1,026	**
Idaho	4,219	10,325	-6,106	-59.1 %
<b>Illinois</b>	<b>87,975</b>	<b>109,334</b>	<b>-21,359</b>	<b>-19.5 %</b>
Indiana	38,326	55,912	-17,586	-31.5 %
Iowa	34,385	33,615	770	**
Kansas	27,075	25,617	1,458	**
Kentucky	44,623	38,114	6,509	**
Louisiana	36,624	44,034	-7,410	-16.8 %
Maine	11,719	16,930	-5,211	-30.8 %
Maryland	33,892	52,846	-18,954	-35.9 %
Massachusetts	60,983	86,365	-25,382	-29.4 %
Michigan	64,426	82,729	-18,303	-22.1 %
Minnesota	47,213	55,309	-8,096	-14.6 %
Mississippi	25,972	27,414	-1,442	-5.3 %
Missouri	50,523	67,547	-17,024	-25.2 %
Montana	6,543	8,731	-2,188	-25.1 %
Nebraska	13,917	19,952	-6,035	-30.2 %
Nevada	11,847	16,333	-4,486	-27.5 %
New Hampshire	11,007	15,073	-4,066	-27.0 %
New Jersey	49,760	87,279	-37,519	-43.0 %
New Mexico	7,792	18,056	-10,264	-56.8 %
New York	144,129	188,740	-44,611	-23.6 %
North Carolina	74,396	92,320	-17,924	-19.4 %
North Dakota	6,132	8,053	-1,921	-23.9 %
Ohio	108,559	111,693	-3,134	**
Oklahoma	19,615	27,359	-7,744	-28.3 %
Oregon	19,124	35,653	-16,529	-46.4 %
Pennsylvania	94,759	135,140	-40,381	-29.9 %
Rhode Island	6,967	13,266	-6,299	-47.5 %
South Carolina	31,034	37,775	-6,741	-17.8 %
South Dakota	7,346	9,507	-2,161	-22.7 %
Tennessee	38,391	74,596	-36,205	-48.5 %
Texas	145,861	197,937	-52,076	-26.3 %
Utah	12,407	19,332	-6,925	-35.8 %
Vermont	6,792	6,313	479	**
Virginia	43,834	68,945	-25,111	-36.4 %
Washington	34,295	59,746	-25,451	-42.6 %
West Virginia	13,649	15,525	-1,876	-12.1 %
Wisconsin	42,799	49,350	-6,551	-13.3 %
Wyoming	2,072	5,640	-3,568	-63.3 %
<b>TOTAL U.S.</b>	<b>2,001,998</b>	<b>2,810,414</b>	<b>-808,416</b>	<b>-28.8 %</b>

\* Source: Table 6, Appendix. *Projected Supply, Demand and Shortages of Registered Nurses: 2000-2020*, U.S. Department of Health and Human Services.

\*\* No shortage is projected. Estimate is -3% or above.

The Illinois Department of Commerce and Economic Opportunity (DCEO) initiated the Critical Skill Shortages Initiative in 2003 to align regional workforce programs with shortage occupations to achieve a linkage between workforce programs and economic development. The Department of Commerce and Economic Opportunity (DCEO) in conjunction with the Illinois Department of Employment Security and the Governor’s Office designated 10 geographic regions, covering the entire state of Illinois, as Economic Development Regions (EDRs). The information presented in Table 3 comes from the Final Report of the Healthcare Task Force of the Illinois Workforce Investment Board. This report was developed using information compiled using economic and labor market factors in each of the EDRs. The table, which identifies the areas targeted as healthcare occupations with shortages in each of the CSSI Regions or EDRs, reflects the findings that registered nursing and licensed practical nursing were identified as shortages in all 10 of the economic regions in the State. The table also provides a listing of some of the other health professions targeted in most regions and targeted in more than one region.

**Table 3**  
Targeted Healthcare Occupations with Shortages in CSSI Regions \*

ILLINOIS

Healthcare Occupations:

Targeted in All 10 Regions

Registered Nursing  
Licensed Practical Nursing

Targeted in Most Regions

Physical Therapist  
Occupational Therapist  
Respiratory Therapist

Targeted in More than one Region

Pharmacist  
Radiology Technologists/Technicians  
Medical Laboratory Technicians  
Medical Records Technicians

\* Includes only the highest priority occupations.

\*\* Source: Appendix B, *Final Report*, Illinois Workforce Investment Board Healthcare Task Force.

Finally, a report prepared by the United States General Accounting Office (GAO) for the Chairman of the Subcommittee on Health, Committee on Ways and Means, U.S. House of Representatives, includes the statement that “a serious shortage of nurses is expected in the future as pressures are exerted on both demand and supply. The future demand for nurses is expected to increase dramatically when the baby boomers reach their 60s, 70s, and beyond. The population age 65 years and older will double between 2000 and 2030. During that same period the number of women between 25 and 54 years of age, who have traditionally formed the core of the nurse workforce, is expected to remain relatively unchanged.”

## **Recommendation**

Based on the information and data sources reviewed, the consistent theme is that nursing shortages are, and will for years to come, be one of the most extreme healthcare profession workforce shortage areas in Illinois and nationwide. Statewide data shows that the greatest demand for health care workers in Illinois is in the nursing profession. National data sources reviewed also indicate that nursing shortages will become more severe due to a number of factors which are reducing the supply of RN's, while at the same time demand for nursing services will increase. Therefore, IBHE staff is recommending Nursing as the priority area for HSEGA program priority grants in fiscal year 2006.